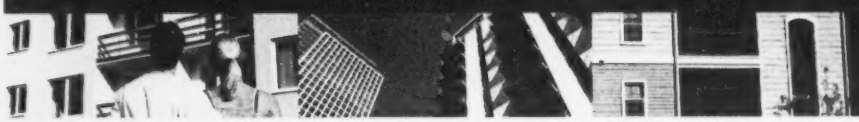
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Manitoba Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

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Figure 1

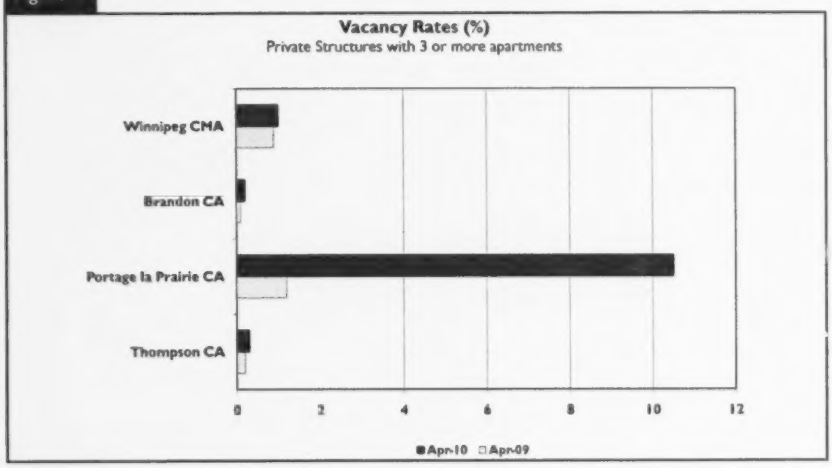
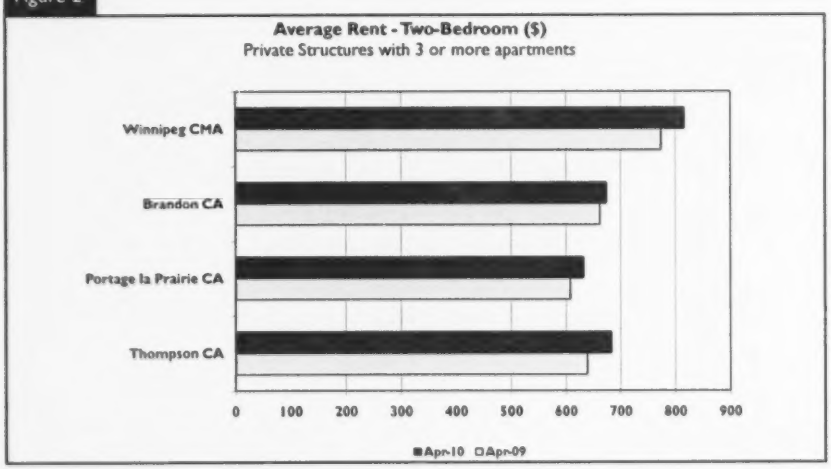


Figure 2



Highlights

- The average apartment vacancy rate in Manitoba's urban centres stood at 1.0 per cent in April 2010, up slightly from 0.8 per cent in April 2009.
- The April 2010 apartment vacancy rates ranged from 0.2 per cent in Brandon to 10.5 per cent in Portage la Prairie.
- The Winnipeg Census Metropolitan Area (CMA) reported an apartment vacancy rate of 1.0 per cent in April 2010, up slightly from 0.9 per cent in April 2009.
- On average, apartments of all unit types across the province rented for $696 per month in April 2010, ranging from $580 in Portage la Prairie to $703 in Winnipeg.

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Rental apartment vacancies remain low in Manitoba

According to the results of Canada Mortgage and Housing Corporation's (CMHC) Spring Rental Market Survey, the average vacancy rate for privately-initiated rental apartments in Manitoba's urban centres increased slightly from 0.8 per cent in April 2009 to 1.0 per cent this April. Despite the modest increase, the vacancy rate in Manitoba remained the lowest among provinces in Canada. Record levels of international migration helped ensure rental vacancies remained low in Manitoba. This source of rental demand helped counter the impact of renter households moving to homeownership.

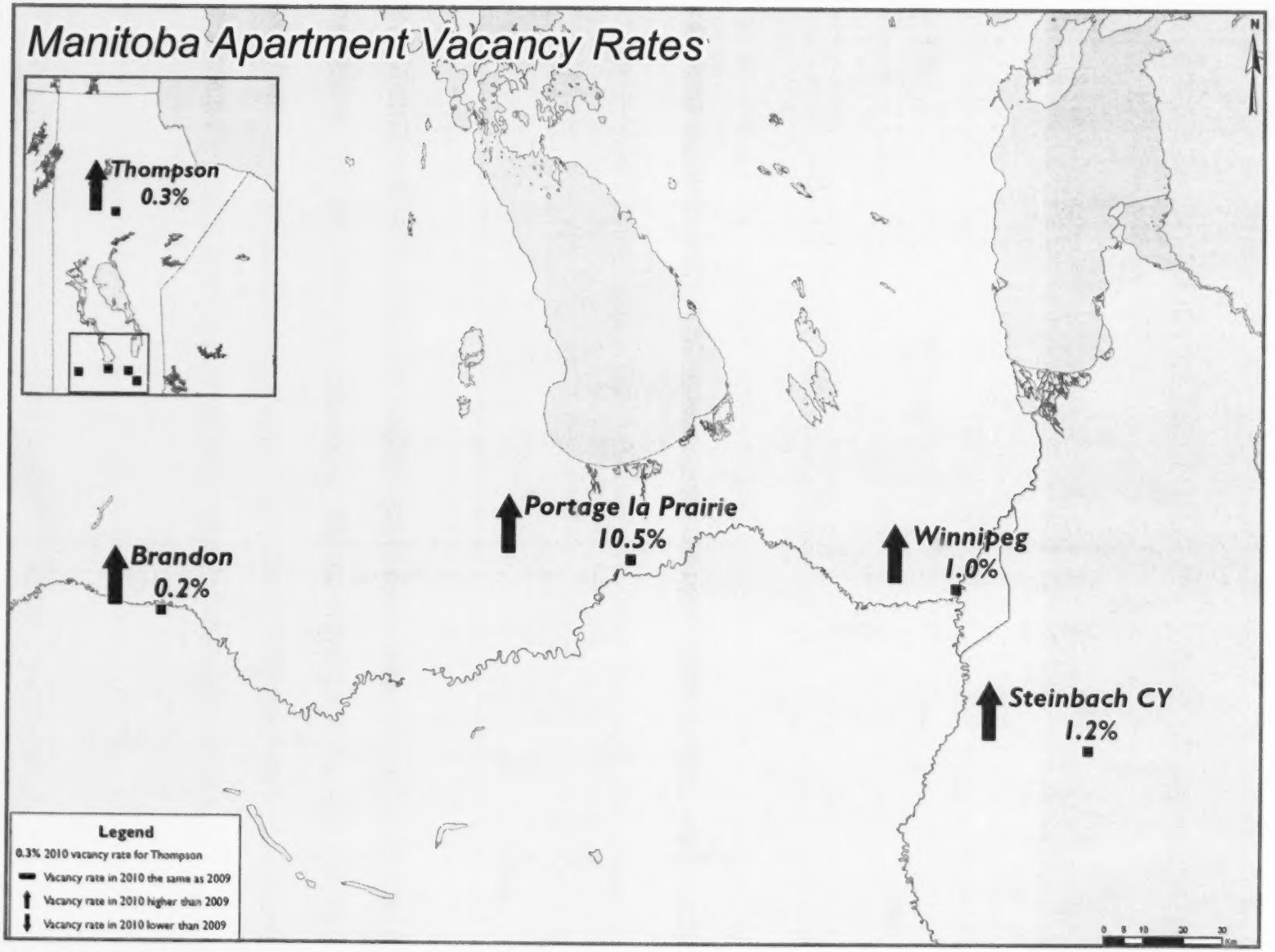
The average apartment vacancy rate in the Winnipeg CMA rose slightly from 0.9 per cent last April to 1.0 per cent in April 2010. Despite the modest increase, Winnipeg's rental vacancy rate remains among the lowest on record. One-bedroom suites had the lowest vacancy rate in April 2010 (0.8 per cent), while bachelor suites had the highest rate of vacancy (1.3 per cent). Slower growth in youth employment in Winnipeg resulted in modestly weaker demand for rental housing. The flow of tenants to homeownership also contributed to the slight rise in vacancies. Countering these factors, the majority of vacated units were backfilled by new migrants who have a higher than average propensity to rent. In 2009, Manitoba attracted a record 11,029 net migrants, the majority of which landed in Winnipeg.

Given the persistently low vacancy rate, average rents for new and existing structures moved higher in the Winnipeg CMA in 2010. From April 2009 to April 2010, the two-bedroom average rent increased $42, reaching $816 per month. Despite the lowest vacancy rate among bedroom type, one-bedroom units reported the smallest year-over-year gain in average rents, rising $17 to $633 in April 2010. The strongest increase in average monthly rents occurred among three-or-more bedroom units. In April 2010, the average rent for units with three-or-more bedrooms in Winnipeg was $978, an increase of $58 over the previous year.

Comparisons of year-over-year rents in new and existing structures need to be made with care because rents in newly-built structures tend to be higher than in existing buildings. In the 12 months leading up to the survey, nearly 400 rental units were completed in Winnipeg. By excluding these recently added structures, we can get a better indication of actual rent increases paid by most tenants. In rental structures common to both surveys, same-sample rents for two-bedroom apartments in Winnipeg increased 4.6 per cent. The Residential Tenancies Branch's mandated maximum rent increase is one per cent annually, though various exemptions resulted in rent increases above the mandated guidelines. Landlords can apply for an above guideline increase if their structure was recently renovated. Newer rental buildings are exempt for up to 20 years, while properties renting for $1,105 or more are also exempt.

Among the province's Census Agglomerations (CAs), Brandon had the lowest vacancy rate of 0.2 per cent in April 2010, followed by Thompson at 0.3 per cent. Both markets saw their vacancy rate increase by 0.1 percentage points since April 2009. Given the strong demand for rentals in Thompson, its average two-bedroom rent recorded the strongest gain among Manitoba's urban markets, rising $44 to $683 per month. Despite Brandon's low vacancy rate, its average two-bedroom rent increased only $12 to $674 per month, the lowest gain among Manitoba's urban markets. At 1.2 per cent, Steinbach's vacancy rate was slightly higher than the provincial average.

Portage la Prairie retained the highest vacancy rate in Manitoba. The apartment vacancy rate in Portage la Prairie increased from 1.2 per cent in April 2009 to 10.5 per cent this April. Both demand and supply conditions led to the rise in vacancies. In April 2010, the supply of rentals in Portage la Prairie increased by nearly 50 units, or eight per cent, as recently renovated suites were reintroduced to the market. The higher vacancies did not prevent average rents from moving higher in Portage la Prairie. The average rent for a two-bedroom suite increased $24 from April 2009 to April 2010, reaching $632.


Manitoba Apartment Vacancy Rates
Thompson
0.3%
Brandon
0.2%
Portage la Prairie
10.5%
Winnipeg
1.0%
Steinbach CY
1.2%
Legend
0.3% 2010 vacancy rate for Thompson
Vacancy rate in 2010 the same as 2009
Vacancy rate in 2010 higher than 2009
Vacancy rate in 2010 lower than 2009
N

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Winnipeg CMA	0.5 a	1.3 a	1.0 a	0.8 a	0.8 a	1.2 a	1.8 c	0.9 a	0.9 a	1.0 a
Brandon CA	0.0 c	0.0 c	0.4 a	0.4 a	0.0 b	0.1 b	0.0 b	0.0 b	0.1 a	0.2 a
Hanover RM	n/u	n/s	n/u	n/s	**	**	n/u	**	**	**
Portage la Prairie CA	0.0 d	**	2.8 c	**	0.0 b	9.9 c	0.0 a	**	1.2 a	10.5 c
Steinbach CY	0.0 a	0.0 a	0.4 a	0.4 a	1.3 a	1.8 a	6.3 a	0.0 a	1.0 a	1.2 a
Thompson CA	**	0.0 b	0.0 b	0.6 a	0.2 a	0.1 a	0.0 c	0.0 c	0.2 a	0.3 a
Manitoba 10,000+	**0.5 a**	**1.2 a**	**0.9 a**	**0.8 a**	**0.7 a**	**1.2 a**	**1.7 c**	**1.3 a**	**0.8 a**	**1.0 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Winnipeg CMA	455 a	486 a	616 a	633 a	774 a	816 a	920 a	978 a	670 a	703 a
Brandon CA	410 a	417 b	520 a	525 a	662 a	674 a	774 a	929 c	607 a	629 a
Hanover RM	n/u	n/s	n/u	n/s	**	**	n/u	**	**	**
Portage la Prairie CA	348 c	333 d	469 a	507 b	608 a	632 a	532 a	642 a	535 a	580 a
Steinbach CY	342 b	436 a	520 a	533 a	638 a	653 a	695 a	**	592 a	608 a
Thompson CA	474 a	516 a	577 a	608 a	639 a	683 a	688 a	751 b	611 a	652 a
Manitoba 10,000+	**453 a**	**484 a**	**610 a**	**628 a**	**757 a**	**796 a**	**905 a**	**959 a**	**664 a**	**696 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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1.1.3 Number of Private Apartment Units Vacant and Universe in April 2010 by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Winnipeg CMA	48 a	3,737	205 a	26,541	263 a	21,862	10 a	1,093	526 a	53,233
Brandon CA	0 c	83	4 a	1,027	1 b	1,922	0 b	89	5 a	3,122
Hanover RM	n/s	n/s	n/s	n/s	**	**	**	**	**	**
Portage la Prairie CA	**	11	**	244	34 c	346	**	28	66 d	628
Steinbach CY	0 a	29	1 a	240	7 a	399	0 a	8	8 a	676
Thompson CA	0 b	45	3 a	497	1 a	817	0 c	27	4 a	1,386
Manitoba 10,000+	**49 a**	**3,906**	**238 a**	**28,548**	**306 a**	**25,363**	**17 a**	**1,258**	**610 a**	**59,074**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10	Apr-09	Apr-10
Winnipeg CMA	1.2 c	1.7 b	1.4 a	1.3 a	1.3 a	1.7 a	1.9 c	1.0 a	1.4 a	1.5 a
Brandon CA	0.0 a	0.0 a	1.3 a	1.2 a	0.8 a	0.6 a	**	0.0 a	1.0 a	0.7 a
Hanover RM	n/u	n/s	n/u	n/s	**	**	n/u	**	**	**
Portage la Prairie CA	0.0 a	**	2.8 a	**	0.4 a	10.2 a	0.0 a	**	1.4 a	11.4 a
Steinbach CY	0.0 a	0.0 a	0.8 a	0.4 a	1.3 a	1.8 a	6.3 a	0.0 a	1.2 a	1.2 a
Thompson CA	**	0.0 a	0.0 b	0.6 a	0.2 a	0.1 a	0.0 c	0.0 a	0.2 a	0.3 a
Manitoba 10,000+	**1.2 c**	**1.7 b**	**1.4 a**	**1.4 a**	**1.2 a**	**1.7 a**	**1.9 c**	**1.4 a**	**1.3 a**	**1.6 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type
Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10	Apr-08 to Apr-09	Apr-09 to Apr-10
Winnipeg CMA	2.5 c	4.0 d	3.0 b	4.3 b	3.4 b	4.6 b	**	++	3.1 b	4.2 b
Brandon CA	**	**	2.2 b	3.5 c	3.5 b	2.2 b	**	**	3.2 b	2.7 b
Hanover RM	n/u	**	n/u	**	n/u	**	n/u	**	n/u	**
Portage la Prairie CA	**	**	3.5 c	**	2.5 a	4.0 c	3.2 a	**	2.7 a	3.1 c
Steinbach CY	**	9.0 a	2.9 a	3.6 a	2.9 a	0.8 a	-3.4 a	**	2.8 a	2.2 a
Thompson CA	3.6 b	**	5.4 a	6.2 b	6.3 a	5.9 b	3.4 b	**	6.0 a	7.5 a
Manitoba 10,000+	**2.5 c**	**4.2 d**	**3.0 a**	**4.2 b**	**3.5 b**	**4.5 b**	**	++	**3.2 b**	**4.1 b**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current April Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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